

**Illinois Department of Revenue  
Regulations**

**Title 86 Part 420 Section 420.50 Non-Beverage Users of Alcoholic Liquors**

**TITLE 86: REVENUE  
PART 420  
ALCOHOLIC LIQUOR ACT**

**Section 420.50 Non-Beverage Users of Alcoholic Liquors**

- a) Alcoholic Liquors Purchased Free of Tax:
  - 1) Any person holding a valid uncanceled and unrevoked non-beverage user's license issued by the Illinois Liquor Control Commission, and a proper permit therefor, as provided in Sections (b) and (c) hereof, may purchase alcoholic liquors from licensed manufacturers or importing distributors in a total amount fixed by the class of non-beverage user's license held by him, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to alcoholic liquors so sold for use solely for non-beverage purposes.
  - 2) A non-beverage user's license shall expire only when the quantity of alcoholic liquors which may be purchased under it has been exhausted.
  - 3) Holders of non-beverage user's licenses may purchase alcoholic liquors free of tax for non-beverage purposes only from manufacturers or importing distributors licensed as such under the laws of Illinois. They may not manufacture alcoholic liquors, nor import alcoholic liquors into Illinois from outside Illinois.
- b) Procedures to be Followed by Non-Beverage Users Holding Licenses of Class 1 or 2:
  - 1) Every person holding a non-beverage user's license of class 1 or 2, for the purpose of purchasing alcoholic liquors free of tax for non-beverage purposes, will be issued a book of permits. The aggregate gallonage permitted to be purchased on each such book of permits equals the total gallonage that may be purchased under the license of the class held by the nonbeverage user.
  - 2) Permits in the proper amount must be surrendered at the time of purchase by the non-beverage user to the manufacturer or importing distributor from whom alcoholic liquors are purchased. Upon receiving the same, the vendor is then entitled to sell alcoholic liquors to such non-beverage user surrendering such permit without becoming liable for payment of the gallonage taxes thereon.
- c) Procedures to be Followed by Non-Beverage Users Holding Licenses of Class 3, 4 or 5:

- 1) Every person holding a non-beverage user's license of class 3, 4 or 5, for the purpose of purchasing alcoholic liquors free of tax for non-beverage purposes, must make application for a "Permit to Purchase Alcoholic Liquors for Non-Beverage Purposes." Such application must be made on forms prescribed and furnished by the Department, and must set forth a record of alcoholic liquors purchased for non-beverage purposes during the six months preceding the date of making application for such permit. Such application must also set forth the number of gallons of alcoholic liquors which are desired to be purchased at the time application for permit is made, as well as the number and class of the non-beverage user's license held by the applicant.
  - 2) Upon approval of such application, the Department will issue to the applicant a "Permit to Purchase Alcoholic Liquors for Non-Beverage Purposes," which permit will entitle the holder to purchase the number of wine gallons of alcoholic liquors stated thereon free from gallonage tax. Such permit must be surrendered by the non-beverage user at the time of purchase to the manufacturer or importing distributor from whom alcoholic liquors are purchased, and the vendor is then entitled to sell alcoholic liquors to the non-beverage user surrendering such permit without becoming liable for payment of the gallonage taxes imposed by Article VIII of the Act with respect thereto.
  - 3) When and as the holder of a non-beverage user's license of class 3, 4 or 5 desires to purchase additional alcoholic liquors free of tax, he must apply for and obtain a new permit from the Department, which he will be required to surrender to the vendor in the manner described above. Any number of permits may be issued to a holder of a non-beverage user's license of class 3, 4 or 5, but such permits in the aggregate will permit the purchase of alcoholic liquors free of tax in a total amount not in excess of the number of gallons specified by the particular class of non-beverage user's license under which such purchases are made.
  - 4) Manufacturers and importing distributors will be held liable for gallonage taxes with respect to all alcoholic liquors sold in Illinois to holders of non-beverage user's licenses, with respect to which such purchasers have not obtained and surrendered to such manufacturers and importing distributors the required permits as herein prescribed and set forth.
- d) Penalty for Violation of Non-Beverage Use:

No holder of a non-beverage user's license is permitted to sell, give away or otherwise dispose of any alcoholic liquors, purchased under his non-beverage user's license, in any form fit for beverage purposes. Violation of this provision of the law will subject the violator to a penalty of \$1.50 for each gallon of alcoholic liquors so diverted, in addition to all other penalties provided by law, including revocation of license.

(Source: Amended at 15 Ill. Reg. 3498, effective February 21,